

REGISTERED COMPANY NUMBER: 02046356 (England and Wales)
REGISTERED CHARITY NUMBER: 1117457

Giroscope Limited
Report of the Trustees and
Financial Statements
for the Year Ended 31st December 2019

cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

WEDNESDAY



A9E7XQYW

A16

23/09/2020

#106

COMPANIES HOUSE

Giroscope Limited

**Contents of the Financial Statements
for the year ended 31st December 2019**

	Page
A Message from the Acting Chairman	1
Report of the Trustees	2 to 5
Report of the Independent Auditors	6 to 7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 21

Giroscope Limited

A Message from the Acting Chairman for the year ended 31st December 2019

Last year was a productive and exciting year at Giroscope. The main renovation projects were three properties on Coltman Street, two of which were completed during 2019. These properties: 189 & 190 Coltman Street are adjacent to a property refurbished by Giroscope in 2015. Giroscope's community garden at the back of this property has been expanded to include a portion of both of the large gardens of 189 & 190 Coltman Street making the space for the Gardening Project much larger. The renovated flats, six in total, have provide accommodation for 12 people.

The other large renovation project, 167 Coltman Street, is well underway with the flats ready to be rented in early 2020. Built in the late 1980s this is a very different kind of property to the Victorian or Edwardian terraced houses Giroscope is used to renovating which has provided an interesting challenge. The renovation including increasing wall, floor and roof insulation, installing triple glazed windows and installing an air source heat pump and underfloor heating system will increase the thermal efficiency of the flats as well as reducing the amount of energy needed to power the heating system. We plan to look at the environmental performance of these flats once they are occupied to see how effective these measures are, collect resident feedback and find out how cost effective this technology is to run.

A further four long term vacant properties were worked on during the year with two of these being completed during 2019, and the remaining two underway.

Giroscope's Community Self Build project on the site behind our offices on Coltman Street made exciting progress during the year. Planning permission for three properties was gained in the late spring and construction starting with the groundworks later in the year. The timber frame structures will start to be assembled in early 2020. The houses have been designed to be very simple to construct, even for people with low or no building skills and should provide excellent opportunities for learning and development for people on our Volunteer Programme. This project also has a strong focus on sustainable construction and environmental efficiency: the materials for the houses have been considered in terms of their embodied energy and impact, for example, the Douglas fir and larch for the structural frame is sourced from the Scottish Borders. Each house will be very well insulated using recycled newspaper in the walls and roof and sheep's wool under the floor. Photovoltaics and solar thermal will be installed on the south facing roof to generate electricity onsite and heat the hot water for the properties.

Another highlight of 2019 was reinstatement of the restored war memorial window in the west end of the former St Matthews Church. This stained glass window restored by Barley Studio has a very distinctive lower register of four lights depicting two members of the armed forces, army and navy surrounded by female figures. This restoration work is thanks to grants from War Memorials Trust and The Worshipful Company of Glaziers.

Funding has been secured from the Community Led Local Development fund to create community space and resources in the former St Matthews Church as well as provide enterprise support to new and existing businesses, social enterprises, charities and potential entrepreneurs. We look forward to exploring the potential of creating other employment opportunities in our neighbourhood and other deprived communities in Hull through this work.

Giroscope's housing and volunteer programme continues to be developed and improved. Our team of housing support workers has been providing advice and guidance to our residents to help them live more independently and address any barriers that they might face. At the start of 2019 we started a four year project in partnership with the Vulcan Learning Centre to work with young people who are homeless or at risk of homelessness providing a programme of personal development using sports, training, volunteering and accommodation and housing support.

Giroscope Limited (Registered number: 02046356)

**Report of the Trustees
for the year ended 31st December 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The company's objects and principal activities were those of the purchasing, renovation and modernisation of housing in poor condition and the renting out of these houses to the unemployed and other disadvantaged groups in society.

The main objectives and activities for the year are covered in the Acting Chairman's Message on page 1.

ACHIEVEMENT AND PERFORMANCE

In 2019 the organisation completed the renovation of eight properties: six flats and two houses. At the end of the year Giroscope owned a total of 109 properties: 124 residential units (27 flats and 97 houses) as well as 5 non-residential buildings providing workspace to 15 organisations. At the end of 2019 Giroscope provided housing to over 300 people. 14 bedspaces across 5 different properties are ring-fenced for young people who are homeless or at risk of homelessness. During the year 19 young people were housed in these properties.

Giroscope provided work placements to 140 people in 2019. During the year 2670 volunteer days were completed. Giroscope's volunteer programme works with the long term unemployed, young people, ex-offenders, people with mental health problems or learning difficulties. We offer hands on work experience, skills training and support to help people move towards and into employment. Giroscope's volunteer programme provides five different opportunities currently: construction and house renovation, landscaping and gardening, bicycle repair, computer refurbishment and digital skills training and furniture repairs and removals.

Giroscope continue to participate in wider discussions at a local, regional and national level on topics including community-based approaches to regeneration, affordable housing, empty homes and self-help housing.

Giroscope continues to offer guidance and support to new or emerging organisations interested in developing projects bringing empty properties back into use, provide affordable housing and support offering volunteering or training opportunities.

FINANCIAL REVIEW

Principal funding sources

The principle funding source of the charity are the rents received from the tenants. The staff and Management Committee seek funding to support renovating empty properties, provide additional support to our beneficiaries or for new work.

Giroscope received funding from the Lloyds Bank Foundation, Hull Community Led Local Development and National Lottery Awards for All towards the volunteer programme and other training opportunities.

The Hull and East Riding Charitable Trust continued to support Giroscope's Emergency Fund that provides small grants for our tenants and volunteers.

Social investment from Social and Sustainable Capital blended with grant funding from Power to Change and Hull City Council's Right-to-Buy Replacement grant programme funds Giroscope capital projects renovating 'new' empty properties. LandAid also contributed towards the costs of refurbishing the empty properties for the houses for young people who are homeless or at risk of homelessness.

Grant funding from the War Memorials Trust, Worshipful Company of Glaziers and the Architectural Heritage Fund supported work for the former St Matthews Church.

A grant from the Tudor Trust was received in 2019 for providing a property to accommodate refused asylum seekers or other people with no recourse to public funds. Giroscope is working with Open Doors and the Community Integration and Advocacy Centre (CIAC) to identify suitable individuals for this project and deliver the support required to the individuals.

Giroscope Limited (Registered number: 02046356)

Report of the Trustees
for the year ended 31st December 2019

FINANCIAL REVIEW

Investment policy and objectives

Aside from retaining a prudent amount in reserves, each year most of the charity's funds are spent in the short term so there are few funds for long term investment. Having considered the options available, the Management Committee has decided to invest the small amount it has available in an interest-bearing account.

Reserves policy

The Management Committee will be examining the charity's requirements for reserves in light of the main risks to the organisation.

It will establish a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should not exceed 6 months of expenditure.

The reserves are needed to meet the working capital requirements of the charity, and the Management Committee are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

FUTURE PLANS

The charity plans to continue its activities outlined in the forthcoming years, subject to satisfactory funding arrangements. In addition, it will look to develop other projects to help regenerate Giroscope's neighbourhood, increase the opportunities and/or provide better support for people living there. These will include:

- The further purchase and renovation of empty residential properties to let as affordable housing.
- The purchase and renovation of empty non-residential space to provide affordable workspace for other social enterprises and start-up businesses in our community.
- The redevelopment of the former St Matthews Church.
- Development of a self-build housing model to construct affordable housing on the land to the rear of 69 Coltman Street or other vacant plots of land in our neighbourhood.
- Develop our volunteer programme to provide a wide range of opportunities and holistic support for people excluded and disadvantaged in the employment market.
- To continue to develop our trading subsidiary Giroscope Services Limited.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 13th August 1986 and registered as a charity on 4th January 2007. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee will be elected to serve a period of three years after which they must be re-elected at the next Annual General Meeting. (Resolution of Annual General Meeting November 2006).

The Management Committee is made up of a mix of traditional business skills from their own particular area of responsibility. In an effort to maintain this broad skill mix and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Committee.

Giroscope Limited (Registered number: 02046356)

Report of the Trustees
for the year ended 31st December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Giroscope Limited has an Executive Committee of 3 members who meet quarterly and are responsible for the strategic direction and policy of the charity. At the end of the financial year the Management Committee had three members. These members are from a variety of backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Co-ordinator. The Management Committee is responsible for ensuring that the charity pursues its Aims and Objectives as well as setting strategic policy. The Co-ordinator has responsibility for the individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Induction and training of new trustees

All of our trustees are already familiar with the practical work of the charity and are encouraged to familiarise themselves with the staff and volunteers within the organisation.

Additionally, new trustees are invited and encouraged to attend an introductory meeting with the Chair of the Management Committee and familiarise themselves with the charity and the context within which it operates. This meeting covers:

- The obligations of Management Committee members
- The main documents which set out the operational framework for the charity including the Memorandum and Articles
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives
- Charity Commission
- Company Law

A Trustees induction pack has also been prepared drawing information from the various Charity Commission publications signposted through the Commission's guide 'the Essential Trustee' as an 'aide memoir'. This is distributed to all new trustees along with the Memorandum and Articles and the latest financial statements.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity has a Risk Register which identifies the risks to which the charity is exposed. Systems and procedures have been established to mitigate and manage the risks the charity faces. The Risk Register is reviewed as and when necessary, at a minimum at the quarterly Board Meetings.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

Procedures are in place to ensure compliance with health and safety for all staff, volunteers, clients and visitors to Giroscope.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02046356 (England and Wales)

Registered Charity number

1117457

Registered office

69 Coltman Street

Hull

East Yorkshire

HU3 2SJ

Giroscope Limited (Registered number: 02046356)

Report of the Trustees
for the year ended 31st December 2019

Trustees

A Brocklehurst Accountant
R Amesbury Director
J F Clarke Director (resigned 14/10/19)
Ms H R Galbraith

Auditors

cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Giroscope Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

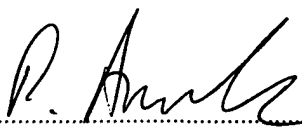
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, cbaSadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on15/6/20..... and signed on its behalf by:


.....
R Amesbury - Trustee

Report of the Independent Auditors to the Trustees of
Giroscope Limited

Opinion

We have audited the financial statements of Giroscope Limited (the 'charitable company') for the year ended 31st December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Giroscope Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

cbaSadofskys
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

Date:15/6/20.....

Giroscope Limited

Statement of Financial Activities
for the year ended 31st December 2019

	Notes	Unrestricted funds £	Restricted fund £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	727	-	727	2,385
Charitable activities					
Renovation and letting of housing	4	153,549	-	153,549	98,842
Investment income	3	603,629	-	603,629	539,935
Total		<u>757,905</u>	<u>-</u>	<u>757,905</u>	<u>641,162</u>
EXPENDITURE ON					
Charitable activities					
Renovation and letting of housing	5	614,403	-	614,403	537,530
NET INCOME		<u>143,502</u>	<u>-</u>	<u>143,502</u>	<u>103,632</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		3,370,897	-	3,370,897	3,267,265
TOTAL FUNDS CARRIED FORWARD		<u>3,514,399</u>	<u>-</u>	<u>3,514,399</u>	<u>3,370,897</u>

The notes form part of these financial statements

Giroscope Limited (Registered number: 02046356)

Balance Sheet
31st December 2019

	Notes	Unrestricted funds £	Restricted fund £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	11	46,482	-	46,482	47,066
Investments					
Investments	12	4,999	-	4,999	4,999
Investment property	13	6,478,819	-	6,478,819	6,158,170
		<u>6,530,300</u>	<u>-</u>	<u>6,530,300</u>	<u>6,210,235</u>
CURRENT ASSETS					
Debtors	14	183,644	-	183,644	184,151
Cash at bank		37,578	1,001	38,579	2,591
		<u>221,222</u>	<u>1,001</u>	<u>222,223</u>	<u>186,742</u>
CREDITORS					
Amounts falling due within one year	15	(170,990)	(1,001)	(171,991)	(157,519)
		<u>50,232</u>	<u>-</u>	<u>50,232</u>	<u>29,223</u>
NET CURRENT ASSETS					
		<u>6,580,532</u>	<u>-</u>	<u>6,580,532</u>	<u>6,239,458</u>
CREDITORS					
Amounts falling due after more than one year	16	(3,066,133)	-	(3,066,133)	(2,868,561)
		<u>3,514,399</u>	<u>-</u>	<u>3,514,399</u>	<u>3,370,897</u>
NET ASSETS					
	19				
Unrestricted funds				3,514,399	3,370,897
TOTAL FUNDS					
				<u>3,514,399</u>	<u>3,370,897</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2019.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

Giroscope Limited (Registered number: 02046356)

Balance Sheet - continued
31st December 2019

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15/6/20 and were signed on its behalf by:



.....
R Amesbury - Trustee

Giroscope Limited

Cash Flow Statement
for the year ended 31st December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	267,152	117,591
Interest paid		(97,820)	(105,084)
Net cash provided by operating activities		<u>169,332</u>	<u>12,507</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,395)	(4,482)
Purchase of investment property		(320,649)	(452,170)
Interest received		-	3
Net cash used in investing activities		<u>(322,044)</u>	<u>(456,649)</u>
Cash flows from financing activities			
New loans in year		287,574	431,899
Loan repayments in year		(90,002)	(87,502)
Net cash provided by financing activities		<u>197,572</u>	<u>344,397</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	2	(6,281)	93,464
Cash and cash equivalents at the end of the reporting period	2	<u><u>38,579</u></u>	<u><u>(6,281)</u></u>

The notes form part of these financial statements

Giroscope Limited

Notes to the Cash Flow Statement
for the year ended 31st December 2019

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the reporting period (as per the Statement of Financial Activities)	143,502	103,632
Adjustments for:		
Depreciation charges	1,979	1,446
Interest received	-	(3)
Interest paid	97,820	105,084
Decrease/(increase) in debtors	507	(127,353)
Increase in creditors	23,344	34,785
Net cash provided by operations	267,152	117,591

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Notice deposits (less than 3 months)	38,579	2,591
Overdrafts included in bank loans and overdrafts falling due within one year	-	(8,872)
Total cash and cash equivalents	38,579	(6,281)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank	2,591	35,988	38,579
Bank overdraft	(8,872)	8,872	-
	<u>(6,281)</u>	<u>44,860</u>	<u>38,579</u>
Debt			
Debts falling due within 1 year	(90,002)	-	(90,002)
Debts falling due after 1 year	(2,868,561)	(197,572)	(3,066,133)
	<u>(2,958,563)</u>	<u>(197,572)</u>	<u>(3,156,135)</u>
Total	(2,964,844)	(152,712)	(3,117,556)

The notes form part of these financial statements

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- not provided
Plant and machinery	- at variable rates on reducing balance
Fixtures and fittings	- at variable rates on reducing balance
Motor vehicles	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a fair value reserve.

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	727	2,385
	<u>727</u>	<u>2,385</u>

3. INVESTMENT INCOME

	2019	2018
	£	£
Rents received	603,629	539,932
Deposit account interest	-	3
	<u>603,629</u>	<u>539,935</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2019	2018
		£	£
Grants	Renovation and letting of housing	100,012	70,614
Other income	Renovation and letting of housing	53,537	28,228
		<u>153,549</u>	<u>98,842</u>

Other capital grants received during the year are:

	2019	2018
	£	£
Capital Grants received		
Power To Change Grant	-	26,500
Hull City Council Right-To-Buy Replacement Grant	195,003	177,989
Power to Change	61,000	-
Worshipful Company of Glaziers	1,000	-
War Memorials Trust	18,770	-
LandAid	38,767	40,679
	<u>314,540</u>	<u>245,168</u>

Grants received, included in the above, are as follows:

	2019	2018
	£	£
National Lottery Awards for All	10,000	-
Humber Learning Consortium	-	3,202
Humberside, Lincolnshire and North Yorkshire Community Rehabilitation Company	-	4,167
Screwfix Foundation	-	3,500
Hull and East Riding Charitable Trust	2,000	2,000
DCLG - Community Right to Build Fund	-	(480)
Architectural Heritage Fund	6,207	5,592
Monday Charitable Trust	-	20,000
	<u>18,207</u>	<u>37,981</u>
Carried forward	18,207	37,981

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

4. INCOME FROM CHARITABLE ACTIVITIES - continued

	2019	2018
	£	£
Brought forward	18,207	37,981
Lloyds Bank Foundation	23,200	23,200
Youth Action Trust	-	4,000
The Tribune Trust	-	2,500
Hull Community Led Local Development	42,887	2,933
Yorkshire Bank Bike Library	3,718	-
Tudor Trust	12,000	-
	<u>100,012</u>	<u>70,614</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Renovation and letting of housing	<u>506,549</u>	<u>107,854</u>	<u>614,403</u>

6. SUPPORT COSTS

	Governance costs £
Renovation and letting of housing	<u>107,854</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Auditors' remuneration	3,420	3,420
Depreciation - owned assets	<u>1,979</u>	<u>1,446</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2019 nor for the year ended 31st December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2019 nor for the year ended 31st December 2018.

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

9. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	172,797	157,410
Social security costs	10,424	9,815
Other pension costs	2,691	1,496
	185,912	168,721
	185,912	168,721

The average monthly number of employees during the year was as follows:

	2019	2018
Management and administration	4	4
Support	7	6
	11	10
	11	10

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,385	-	2,385
Charitable activities			
Renovation and letting of housing	98,842	-	98,842
Investment income	539,935	-	539,935
Total	641,162	-	641,162
EXPENDITURE ON			
Charitable activities			
Renovation and letting of housing	537,530	-	537,530
NET INCOME	103,632	-	103,632
RECONCILIATION OF FUNDS			
Total funds brought forward	3,267,265	-	3,267,265
TOTAL FUNDS CARRIED FORWARD	3,370,897	-	3,370,897

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st January 2019	38,474	7,370	23,464
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st December 2019	38,474	7,370	23,464
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1st January 2019	-	6,865	19,817
Charge for year	-	99	536
	<hr/>	<hr/>	<hr/>
At 31st December 2019	-	6,964	20,353
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 2019	38,474	406	3,111
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31st December 2018	38,474	505	3,647
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st January 2019	5,010	2,532	76,850
Additions	-	1,395	1,395
	<hr/>	<hr/>	<hr/>
At 31st December 2019	5,010	3,927	78,245
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1st January 2019	2,854	248	29,784
Charge for year	539	805	1,979
	<hr/>	<hr/>	<hr/>
At 31st December 2019	3,393	1,053	31,763
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 2019	1,617	2,874	46,482
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31st December 2018	2,156	2,284	47,066
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2019 and 31st December 2019	<u>4,999</u>
NET BOOK VALUE	
At 31st December 2019	<u>4,999</u>
At 31st December 2018	<u>4,999</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Giroscope Services Limited

Registered office:

Nature of business: Construction and maintenance services

Class of share:	%
Ordinary	holding 100

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st January 2019	6,358,283
Additions	<u>320,649</u>
At 31st December 2019	<u>6,678,932</u>
AMORTISATION	
At 1st January 2019 and 31st December 2019	<u>200,113</u>
NET BOOK VALUE	
At 31st December 2019	<u>6,478,819</u>
At 31st December 2018	<u>6,158,170</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
	£	£
Rent arrears	42,470	43,610
Other debtors	141,174	140,541
	<u>183,644</u>	<u>184,151</u>
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
	£	£
Bank loans and overdrafts (see note 17)	88,336	97,208
Other loans (see note 17)	1,666	1,666
Trade creditors	58,018	44,025
Social security and other taxes	3,453	2,489
Other creditors	17,098	8,711
Accrued expenses	3,420	3,420
	<u>171,991</u>	<u>157,519</u>
16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2019	2018
	£	£
Bank loans (see note 17)	3,052,796	2,853,558
Other loans (see note 17)	13,337	15,003
	<u>3,066,133</u>	<u>2,868,561</u>
17. LOANS		
An analysis of the maturity of loans is given below:		
	2019	2018
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	-	8,872
Bank loans	88,336	88,336
Other loans	1,666	1,666
	<u>90,002</u>	<u>98,874</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	3,052,796	2,853,558
Other loans - 1-2 years	13,337	15,003
	<u>3,066,133</u>	<u>2,868,561</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

18. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank overdraft	-	8,872
Bank loans	3,141,132	2,941,894
	<u>3,141,132</u>	<u>2,950,766</u>

The bank loans are secured by way of a legal mortgage over the properties to which they relate, and the bank overdraft is secured by way of a fixed and floating charge over the company's assets.

19. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	3,370,897	143,502	3,514,399
	<u>3,370,897</u>	<u>143,502</u>	<u>3,514,399</u>
TOTAL FUNDS	<u>3,370,897</u>	<u>143,502</u>	<u>3,514,399</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	757,905	(614,403)	143,502
	<u>757,905</u>	<u>(614,403)</u>	<u>143,502</u>
TOTAL FUNDS	<u>757,905</u>	<u>(614,403)</u>	<u>143,502</u>

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	3,267,265	103,632	3,370,897
	<u>3,267,265</u>	<u>103,632</u>	<u>3,370,897</u>
TOTAL FUNDS	<u>3,267,265</u>	<u>103,632</u>	<u>3,370,897</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2019

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	641,162	(537,530)	103,632
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	641,162	(537,530)	103,632
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	3,267,265	247,134	3,514,399
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	3,267,265	247,134	3,514,399
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,399,067	(1,151,933)	247,134
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	1,399,067	(1,151,933)	247,134
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.